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Question of Palestine

Security Council
Sixty-first year

Peaceful settlement of the question of Palestine

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 60/39. It contains replies received from the President of the Security Council and the concerned parties to the notes verbales sent by the Secretary-General pursuant to the request contained in paragraph 18 of the resolution. The report also contains the observations of the Secretary-General on the current state of the Israeli-Palestinian conflict and on international efforts to move the peace process forward with a view to achieving a peaceful solution. The report covers the period from September 2005 through September 2006.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 60/39 of 1 December 2005.

2. On 1 June 2006, pursuant to the request contained in paragraph 18 of the above-mentioned resolution, I addressed the following letter to the President of the Security Council:

> "I have the honour to refer to resolution 60/39, which the General Assembly adopted on 1 December 2005, at its sixtieth session, under the agenda item 'Question of Palestine'.
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> "Paragraph 18 of the resolution requests the Secretary-General to continue his efforts with the parties concerned, and in consultation with the Security Council, towards the attainment of a peaceful settlement of the question of Palestine and the promotion of peace in the region and to submit to the General Assembly at its sixty-first session a report on these efforts and on developments on this matter.
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> "In order to fulfil my reporting responsibilities under this resolution, I should be grateful if you would kindly convey to me the views of the Security Council by 15 July 2006."

3. On 18 July 2006, the following reply was received from the Security Council:

> "The situation in the Middle East, including the Palestinian question, remains one of the most important items on the Security Council agenda. The Council continues to consider the situation in the Middle East, including the Palestinian question, on a regular basis, in particular with monthly briefings by the Under-Secretary-General for Political Affairs and senior Secretariat staff.
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> "On 23 September 2005, following a regular briefing by Alvaro de Soto, United Nations Special Coordinator for the Middle East Peace Process, and subsequent informal consultations, the Council adopted a presidential statement (S/PRST/2005/44) in which the Council called for renewed action in parallel by the Government of Israel and the Palestinian Authority on their obligations in accordance with the road map and to ensure continued progress towards the creation of an independent sovereign, democratic and viable State of Palestine living side by side with Israel in peace and security.
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> "Following a regular briefing by Ibrahim Gambari, Under-Secretary-General for Political Affairs, and subsequent informal consultations on 30 November 2005, the Council adopted a presidential statement (S/PRST/2005/57), in which the Council welcomed the opening of the Rafah crossing on 25 November 2005 and, in this regard, commended the efforts of the Middle East Quartet, its Special Envoy and his team, as well as the positive contributions of the Government of Egypt, and it expressed its strong appreciation to the European Union for assuming the role of third-party monitor.
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> "On 3 February 2006, the Council adopted a presidential statement (S/PRST/2006/6) congratulating the Palestinian people on a free, fair and secure electoral process, expressing the Council's expectation that a new government would remain committed to realizing the aspirations of the

Palestinian people for peace and statehood, and furthermore noting indications by major donors that they would review future assistance to a new Palestinian Authority government against that government's commitment to the principles of non-violence, recognition of Israel, and acceptance of previous agreements and obligations, including the road map.

"Acting on a request by the Arab Group and the League of Arab States for an immediate meeting of the Council to consider recent developments in the Occupied Palestinian Territories, including East Jerusalem, the Council held an open debate on the situation in the Middle East, including the Palestinian question, on 17 April 2006. No action was taken by the Council following this meeting.

"Acting again on a request by the Arab Group and the League of Arab States for an immediate meeting of the Council to consider recent developments in the Occupied Palestinian Territories, including East Jerusalem, the Council held an open debate on the situation in the Middle East, including the Palestinian question, on 30 June 2006. Qatar introduced a draft resolution on behalf of the Arab Group concerning Israeli military operations in Gaza. After further consultations, the Council voted on a revised text of the draft resolution on 13 July 2006, but failed to adopt it.

"The Council continues to keep the evolving situation in the Middle East, including the Palestinian question, under active review through monthly briefings, open meetings and informal consultations. During these meetings, the Council members reiterate their support for a just and comprehensive settlement in the Middle East based on resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), the foundations of the Madrid Conference, the principle of land for peace, agreements previously reached by the parties and the initiative of Saudi Crown Prince Abdullah endorsed in Beirut at the Summit-level Council of the League of Arab States."

4. In a note verbale dated 30 May 2006 to the parties concerned, I sought the positions of the Governments of Egypt, Israel, Jordan, Lebanon and the Syrian Arab Republic, as well as of the Palestine Liberation Organization, regarding any steps taken by them to implement the relevant provisions of the resolution. As at 1 September 2006, the following replies had been received:

"Note verbale dated 10 August 2006 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General

"As you are aware, Israel has voted against this resolution, as it has done time and time again against similar resolutions adopted by the General Assembly during previous sessions. Because the situation in the Middle East stands at a delicate crossroads, Israel wishes to once again put on record its position on this matter.

"One year ago, in August 2005, Israel withdrew all presence from the Gaza Strip and parts of the northern West Bank. The disengagement marked a time for renewed opportunities in the region, in the hope of restarting the peace process.

"Yet one year later, Palestinian terror not only continues but also, as of late, has intensified. Daily barrages of Qassam rockets, launched from terrorist positions in the Gaza Strip, fall persistently on southern Israeli communities. Israel had hoped that disengaging from Gaza, as one measure, would be a step in the right direction. Yet the response has been more of the same: terrorism. Day in and day out Israel is under attack. Israeli families, particularly those in the city of Sderot, which bears the brunt of Palestinian terror and rocket attacks from Gaza, live daily under siege.

"Analogous to the continued Palestinian terror attacks has been the failure of the Hamas-led Palestinian government to implement and accept the agreement and responsibilities established by the international community, in particular the goals and provisions outlined by the Quartet in the road map. The Hamas-led government has repeatedly neglected to condemn the continuing and increasing number of terror attacks, and has avoided their responsibility to recognize Israel.

"Israel views this General Assembly resolution as unbalanced and politically motivated. What is more pressing is that such a resolution causes undue interference in issues that both parties agreed to resolve within the context of bilateral negotiations and, thus, risks derailing the peace process further.

"Aside from being damaging to the Middle East peace process, this type of resolution contradicts the decisions to reform and reinvigorate the United Nations. Rather than promoting a vision that recognizes the rights and obligations of both sides, these resolutions obscure the efforts of the parties to achieve a negotiated outcome. It is one-sided resolutions like these that jeopardize the efficacy of the United Nations and the efficiency of the General Assembly. Hence, they must be done away with."

"Note verbale dated 4 August 2006 from the Permanent Observer of Palestine to the United Nations addressed to the Secretary-General

"General Assembly resolutions on the peaceful settlement of the question of Palestine have traditionally reaffirmed rules and principles of international law, central and, in fact, deemed to be essential, to the achievement of a peaceful and just resolution of the long-standing question of Palestine. The overwhelming support traditionally received by those resolutions reflects the international community's consensus regarding this issue, a consensus rooted in positions and convictions based on the primacy of international law in international relations and on the universal ideals of justice and peace. Indeed, during the Assembly's sixtieth session, Member States again adopted a resolution on this subject, resolution 60/39, by a huge majority of 156 votes in favour, with only 6 votes against and 9 abstentions.

"Among the rules and principles of international law that the Assembly reaffirmed in its resolution 60/39 are two fundamental ones, namely the principle of equal rights and self-determination of peoples and the principle of the inadmissibility of the acquisition of territory by war, as enshrined in the

Charter of the United Nations. Other rules recalled in the resolution are also embodied in other relevant Assembly resolutions, including those adopted by its tenth emergency special session and in various Security Council resolutions, including resolutions 242 (1967), 338 (1973), 1397 (2002), 1515 (2003) and 1544 (2004). Accordingly, as it reaffirmed the necessity of achieving a peaceful settlement of the question of Palestine, the core of the Arab-Israeli conflict, in all its aspects and of intensifying efforts towards that end, the Assembly, inter alia, stressed the need for the withdrawal of Israel from the Palestinian territory occupied since 1967 and the need for the realization of the inalienable rights of the Palestinian people, primarily the right to self-determination and the right to their independent State. In the resolution, the Assembly also stressed the need to resolve the problem of the Palestine refugees in conformity with resolution 194 (III) of 11 December 1948.

"In connection with the requirements for achieving a peaceful settlement of the question of Palestine, the Assembly has significantly reaffirmed the permanent responsibility of the United Nations with regard to the question of Palestine until it is resolved in all its aspects in accordance with international law; and has also reaffirmed, inter alia, its full support for the Middle East peace process and the existing agreements between the Israeli and Palestinian sides; has welcomed the efforts of the Quartet aimed at the establishment of a comprehensive, just and lasting peace in the Middle East; has called for the implementation of the road map; and has welcomed the Arab Peace Initiative adopted by the League of Arab States in Beirut in March 2002. Further towards the aim of achieving a peaceful settlement, the Assembly, in resolution 60/39, rightly stressed the necessity of a commitment to the two-State solution, the principle of land-for-peace, the implementation of the relevant Security Council resolutions, a speedy end to the reoccupation of Palestinian population centres and the complete cessation of all acts of violence, including military attacks, destruction and acts of terror, which in recent years have caused the grave deterioration of the situation on the ground and have severely debilitated the search for a peaceful resolution to the question of Palestine.

"In resolution 60/39, the Assembly also addressed another aspect of the question of Palestine that constitutes an extremely relevant consideration for any efforts aimed at resolving this tragic and protracted 39-year-old conflict, namely the humanitarian aspect. The Assembly expressed its grave concern regarding the tragic events in the Occupied Palestinian Territories, including East Jerusalem, since 28 September 2000, including the rising number of deaths and injuries, mostly among Palestinian civilians, the deterioration of the socio-economic and humanitarian conditions of the Palestinian people and the widespread destruction of public and private Palestinian property and infrastructure resulting from the unlawful policies and practices of Israel, the occupying Power. In this regard, the Assembly emphasized the importance of the safety and well-being of all civilians of the whole Middle East region and condemned all acts of violence and terror against civilians on both sides, including suicide bombings, extrajudicial executions and the excessive use of force. Further, the Assembly urged Member States to expedite the provision of economic, humanitarian and technical assistance to the Palestinian people and Palestinian Authority during this critical period to help alleviate their

suffering, rebuild the Palestinian economy and infrastructure and support the restructuring and reform of Palestinian institutions.

"In calling for efforts to be exerted for the peaceful settlement of the question of Palestine, the Assembly has been fully aware of the urgent need for revitalized and active international involvement in support of both parties so as to re-launch the peace process and lead towards the resumption and acceleration of direct negotiations between the parties. The Assembly has affirmed the need for the parties to cooperate with all international efforts and accordingly has called upon the concerned parties, the Quartet and other interested parties to exert all efforts and take all initiatives necessary to halt the deterioration of the situation and to reverse all measures taken on the ground since 28 September 2000, and to ensure a successful and speedy resumption of the peace process and conclusion of a final peace settlement. The role of the United Nations has been further spelled out in resolution 60/39 with the Assembly's request that the Secretary-General continue his efforts with the parties concerned, and in consultation with the Security Council, towards the attainment of a peaceful settlement of the question of Palestine and the promotion of peace in the region and to submit to the Assembly at its sixty-first session a report on these efforts and on developments on this matter, the purpose to which the present note is addressed.

"In sum, resolution 60/39 outlines in very clear terms what is fundamentally needed for the peaceful settlement of the question of Palestine. The international community's support for the resolution reflects the wide consensus and conviction that the implementation of these provisions would effectively pave the way for the achievement of a just and lasting peace. Yet, regrettably, this resolution remains unimplemented, the question of Palestine remains unresolved and the Palestinian people continue to be denied their most basic rights and to suffer under Israel's belligerent occupation.

"Of course, Israel has not complied with resolution 60/39 and continues to commit flagrant violations and grave breaches of the provisions of international law stipulated therein. Indeed, like countless other United Nations resolutions relevant to the question of Palestine, this resolution remains unimplemented and a peaceful settlement remains elusive. In addition, the Advisory Opinion rendered by the International Court of Justice on 9 July 2004 regarding Israel's expansionist wall in the Occupied Palestinian Territories, including East Jerusalem, continues to be blatantly disrespected by the occupying Power. This historic Advisory Opinion constituted an authoritative and definitive determination of the applicable law regarding not only the wall but other core aspects of the question of Palestine, and indeed the Court was clear about the requirements for the peaceful settlement of this question in the Advisory Opinion, calling, inter alia, for compliance with the relevant provisions of international law and the implementation of relevant United Nations resolutions, and underscoring the importance of the law and of such resolutions, including the comprehensive resolutions adopted annually on the peaceful settlement of the question of Palestine for the ultimate just and lasting resolution of this conflict.

"Today, it is a profoundly regrettable fact that the situation in the Occupied Palestinian Territories, including East Jerusalem, has not improved

and has in actuality dramatically deteriorated since the Assembly's adoption of resolution 60/39 in December 2005. Currently, we appear to be further away than ever from achieving the peaceful settlement envisaged in this resolution. This is primarily due to the continuation by Israel, the occupying Power, of its illegal policies and practices against the Palestinian people, which have included not only systematic human rights violations but also acts constituting State terrorism and grave breaches of the Fourth Geneva Convention under Article 147 on war crimes. In this regard, the unlawful actions by Israel have included, but have not been limited to: military raids and attacks; disproportionate and indiscriminate use of force against civilians, including children and women; extrajudicial executions; wanton and deliberate destruction of property, including homes; confiscation of land; construction of colonial settlements, especially in and around East Jerusalem, and transfer of the occupying Power's civilians to the Occupied Palestinian Territories; construction of a wall for the purposes of besieging and isolating civilians in walled enclaves; the arrest, detention and imprisonment of thousands of civilians, including minors; and collective punishment of the entire civilian population, including by means of severe restrictions on the freedom of movement of persons and goods via closures and hundreds of checkpoints.

"In terms of the restrictions on movement, it is necessary to draw attention to the fact that, during the reporting period, some of the Israeli checkpoints have been illegally transformed into structures similar to permanent border crossings in the middle of the Occupied Palestinian Territories, away from the 1967 border (the Green Line), which are physically severing the northern, central and southern parts of the Occupied Palestinian Territories, undermining its territorial integrity and contiguity, and devastating the Palestinian economy. During this same period, Israel has also declared its intentions to carry out its illegal so-called E1 plan in and around East Jerusalem, and illegally to annex the Jordan Valley. If implemented, the E1 plan will isolate occupied East Jerusalem from the West Bank by encircling the city with illegal settlement structures and the expansionist wall, severing the city territorially from the rest of the Palestinian territories and tipping the demographic balance of Jerusalem in favour of Israel by creating a Jewish majority through the incorporation of Jerusalem's illegal settler population. Further, it must be stated that, in general, Israel's continuing fervent campaign of settler colonialism throughout the rest of the Occupied Palestinian Territories continues to threaten gravely the prospects for achieving a negotiated settlement based on the two-State solution as the occupying Power continues unlawfully to seize more Palestinian land and to sever the contiguity of the territory.

"Also during the reporting period, a month after resolution 60/39 was adopted, the Palestinian people in the Occupied Palestinian Territories went to the polls to vote in their new legislature. The elections were deemed by all to be democratic, free and fair. The unfortunate response of some in the international community resulted in the political, economic and financial isolation of the Palestinian Authority, which has only intensified the already difficult situation facing the Palestinian people. Israel has taken the decision to withhold tax revenues belonging to the Palestinian Authority in violation of the Paris Protocol signed by both sides in 1994. This decision by the

occupying Power, coupled with the negative reaction of the international community, has caused a severe financial crisis for the Palestinian Authority and the Palestinian people and constitutes the punishment of the Palestinian people for exercising their democratic rights. The Palestinian leadership continues to call for the international community to reverse such decisions and for Israel to release those Palestinian Authority funds it is withholding.

"The difficult situation on the ground in the Occupied Palestinian Territories, including East Jerusalem, has been deeply exacerbated by this financial crisis. Yet what has caused even more devastation and humanitarian suffering for the Palestinian people has been the death and destruction wrought by Israel, the occupying Power, in recent months in the Occupied Palestinian Territories, particularly in the besieged Gaza Strip. The human and physical devastation caused by Israel in the Gaza Strip underscores the ever-present reality of the brutal, violent, and oppressive policies of the occupying Power against the Palestinian people. Israel's premeditated military aggression against the Palestinian civilian population in the Gaza Strip, which began on 28 June 2006, has resulted in the death of nearly 200 Palestinians, including women and children, and the injury of hundreds more and has caused hundreds of families to flee their homes in fear and panic.

"Magnifying the deadly impact of Israel's actions is the fact that well before Israel's recent military incursion, Palestinians in Gaza were facing a dire humanitarian crisis stemming from shortages of food, medicine, clean drinking water and a lack of access to public utilities. Regrettably, this most recent Israeli aggression has further exacerbated the situation as a result of the complete destruction of basic and vital infrastructure in Gaza, as the occupying forces have bombed power stations, water pipelines, bridges and roads, as well as bombing institutions of the Palestinian National Authority causing extensive damage to many and completely destroying others, including the Ministry of Foreign Affairs in Gaza City. All of the above-mentioned actions, in addition to the repeated closure of border crossings into and out of the area, continue to impact severely the humanitarian situation in the Gaza Strip.

"At the same time as its onslaught on Gaza, Israel has also kidnapped and detained at least 64 Palestinians, the majority of them high-ranking, democratically elected officials, including 8 cabinet ministers of the Palestinian Authority, 24 members of the Palestinian Legislative Council and several mayors. Israel's direct targeting of senior Palestinian officials in such an operation is a clear indication that the current aggression is being carried out for political objectives and is intended to sabotage the recent agreement achieved among Palestinian parties for reconciliation and unity, and not only to hamper severely the functioning of the Palestinian Authority, but ultimately to cause its complete collapse, thus clearing the way for Israel to continue with its unlawful unilateral measures and plans in the Occupied Palestinian Territories under the pretext of having no partner for peace. Indeed, this recent Israeli military campaign was coincidentally launched on the eve of the agreement reached among Palestinian parties that was aimed directly at opening the door to a resumption of negotiations and the peace process.

"Prior to the recent military onslaught, it was already evident that the Israeli unilateral disengagement from Gaza had only deepened the economic,

social and humanitarian crises in the Gaza Strip. Moreover, Israel's unilateral disengagement had cut Gaza off from the rest of the world, as well as from the rest of the Occupied Palestinian Territories. While the occupying Power repeatedly attempted to portray this move as the end of its military occupation of Gaza, Israel obviously never relinquished its control of Gaza's borders, territorial sea and airspace. This has turned Gaza into a massive prison, entirely besieged by Israel, with no attributes of sovereignty or independence. Currently, the humanitarian situation of the Palestinian people continues to decline rapidly, while Israeli tanks and occupying forces have also returned to Gaza, carrying out relentless bombing raids by Israeli F-16 jets and tank shelling of targets throughout the heavily populated civilian areas of Gaza. As we witness what is taking place in the Gaza Strip, it is more difficult than ever to interpret Israel's unilateral disengagement as a positive step forward.

"In this connection, the Palestinian leadership rejects any and all unilateral actions in the West Bank, including East Jerusalem. The unilateral plan envisaged by the Israeli Prime Minister, which consists, inter alia, of the illegal de facto annexation of more territory in the occupied West Bank, the annexation of occupied East Jerusalem and its holy sites, and the imposition of a security border along the Jordan Valley, will effectively bury the internationally endorsed two-State solution. In this regard, it must be clearly reiterated that the Occupied Palestinian Territories, including East Jerusalem, constitute one single territorial unit and Israel's declared intentions to impose its unilateral plans in the West Bank must be completely rejected. In addition, such plans are unlawful, unacceptable and cannot alter the terms of reference of the peace process, which began in Madrid, nor negate the inalienable rights of the Palestinian people, as enshrined in the Charter of the United Nations, international law and relevant United Nations resolutions.

"The Palestinian people and their leadership continue to call upon the international community to unequivocally reject Israel's continuing military aggressions and unilateralism in the Occupied Palestinian Territories, including East Jerusalem, which will lead to neither peace nor stability. The international community is called upon to take urgent measures to address this ongoing tragedy. The United Nations has a permanent responsibility towards the question of Palestine until it is resolved in all its aspects. The Security Council should take the lead in this regard and undertake the bold and courageous actions necessary for ensuring Israeli compliance with the Council's resolutions and adherence to international law. It is not too late for the Council to use its authority to address this issue and to take the appropriate measures to bring an end to Israel's violations and grave breaches and to salvage the prospects for reaching a peaceful settlement.

"In conclusion, Palestine reaffirms its commitment to a negotiated, peaceful solution, based on international law, to the Israeli-Palestinian conflict. Despite the difficulties that Israel, the occupying Power, continues to impose on the Palestinian people, President Mahmoud Abbas continues to call for the immediate resumption of negotiations on the final settlement, based on the provisions of international law, international conventions, United Nations resolutions and the Arab Peace Initiative adopted in Beirut in 2002. Until the achievement of such a peaceful settlement, Palestine expresses its hopes for the continued support of the international community and the continued

exertion of genuine efforts towards this end, including in particular by the United Nations."

II. Observations

5. As the current round of Israeli-Palestinian violence enters its seventh year, I regret that the opportunity for the revitalization of the Middle East peace process I had hoped for last year has not materialized. Violence has been on the rise during the reporting period and has included suicide bombings in Israel by Palestinian militants and indiscriminate rocket and mortar fire at Israel, as well as Israeli aerial strikes, extrajudicial killings of alleged militants, extensive ground operations and tank shelling. There have also been worrying incidents of intra-Palestinian violence, primarily in the Gaza Strip.

6. As I have said in the past, I deplore the killing of civilians, who too often have fallen victim to this violence because of a lack of adherence by the parties to their obligations under international law.

7. Elections for the Palestinian Legislative Council were held on 25 January 2006 throughout Gaza and the West Bank, and included limited participation of Palestinian residents of East Jerusalem. At that time, I congratulated President Abbas and the Palestinian people on the peaceful and orderly conduct of the elections. The official results indicated that the Change and Reform list of Hamas had won a majority of seats. Subsequently, the Quartet indicated that it was inevitable that future assistance to any Palestinian government would be reviewed by donors against the commitment of that government to the principles of non-violence, recognition of the right of Israel to exist and acceptance of previous agreements and obligations, including the road map.

8. President Abbas tasked Mr. Ismail Haniyeh of Hamas to form a government and urged him to align his government's programme with that of the presidency. In his inauguration speech, the Prime Minister stated his respect for the constitutional relationship with President Abbas and his respect for the role of the Palestine Liberation Organization. However, the government did not commit to the principles articulated by the Quartet.

9. After the Israeli general election of 28 March 2006, a coalition government was formed, led by Prime Minister Ehud Olmert, which expressed its desire to set the permanent borders of Israel, preferably through an agreement with the Palestinians. The Government acknowledged that this would entail a reduction of the number of Israeli settlements in the Occupied Palestinian Territories, but also envisaged the retention of major settlement blocs on occupied land. According to the Government's guidelines, Israel would stand ready to proceed unilaterally should it judge that negotiations with the Palestinian side were not possible.

10. On 10 May 2006, Palestinian prisoners in Israeli jails, including senior Fatah and Hamas figures, drafted a document that referred to common political goals aimed at establishing a Palestinian State within the 1967 borders and describing the Palestine Liberation Organization as the sole legitimate representative of the Palestinian people. Fatah and Hamas reached an agreement on 27 June 2006 on a revised version of this document and pledged to make it the basis for establishing a

national unity government. Negotiations to form such a government are continuing, but have not borne fruit to date.

11. On 25 June 2006, Palestinian militants attacked an Israeli military base near the Gaza border, killing three Israeli soldiers and capturing one. The Government of Israel subsequently launched a wide-ranging military operation in the Gaza Strip with the stated aims of freeing the soldier and putting a halt to rocket fire. The operation has included aerial bombardments, ground activities, the arrest of Palestinian cabinet ministers and lawmakers, and the destruction of civilian infrastructure, including the only electric power plant in Gaza, roads and bridges, as well as many other public and private installations. To date, over 200 Palestinians have been killed.

12. The United States Security Coordinators, Lieutenant General Ward (until November 2005) and his successor Lieutenant General Dayton, continued their work to push forward Palestinian security sector reform in order to control internal violence and make progress towards the fulfilment of Palestinian road map commitments. During the first months of the reporting period, the Palestinian security services exhibited a readiness to confront militants by conducting arrests or operations to confiscate explosive material. In November 2005, President Abbas established a leadership committee which tasked a technical team with drafting a white paper on safety and security. A first draft was produced in December 2005 with the support of the United States Security Coordinator.

13. The result of the Palestinian legislative elections, however, was not without impact on the security sector. The Government of Israel put a stop to the transfer by the international community of equipment for the Palestinian security forces. Additionally, President Abbas and the government made conflicting security appointments and decisions. The Palestinian Minister of Interior deployed in Gaza a new "special force" drawing its members from existing security services and various factions in spite of President Abbas' declaration that this move was illegal. Clashes ensued between security forces and calm was restored only after President Abbas and Prime Minister Haniyeh agreed to absorb the "special force" into the payroll of the Palestinian Authority. The United States Security Coordinator has continued to work with President Abbas in an effort to strengthen the Presidential Guard, and with the President's office in a strategic advice capacity.

14. The Government of Israel has failed to implement its obligations under the road map to freeze its settlement activities and dismantle outposts constructed in the West Bank since March 2001, although it carried out the evacuation of the Amona settlement outpost in February 2006. The construction of a police station in the E1 area between Jerusalem and the West Bank settlement of Ma'ale Adumim is under way, consistent with a plan to link Ma'ale Adumim to Israeli territory. In December 2005, it was reported that 3,696 housing units were under construction in West Bank settlements and another 1,654 in East Jerusalem. Further expansion of West Bank settlements to the north and south of Jerusalem and in the Jordan Valley were authorized by the Israel Ministry of Defence.

15. The pace of construction of the barrier in the West Bank accelerated during the reporting period. Land expropriation orders were issued by the Government of Israel to allow the extension of the barrier around Jerusalem eastward so as to envelop the settlement of Ma'ale Adumim. The Israeli High Court of Justice rejected a petition against the construction of the barrier in northern Jerusalem, but ordered the

dismantling of five kilometres of the barrier east of the settlement of Tzofim. The Israel Ministry of Defence reportedly ordered a review of the route of the barrier in order to reduce its impact on Palestinian daily life. The continuing construction of the barrier encroaching on Palestinian land contradicts the legal obligations of Israel set forth in the 9 July 2004 Advisory Opinion of the International Court of Justice and General Assembly resolution ES-10/15 of 20 July 2004. Further to this resolution, I have continued my efforts to establish a register of damage incurred by Palestinians due to the construction of the barrier.

16. Quartet Special Envoy James Wolfensohn has emphasized that without the re-establishment of free movement inside the West Bank, a viable Palestinian economy is not possible. For several months, he endeavoured to advance an agenda covering issues relating to movement and reform in the Occupied Palestinian Territories. On 15 November 2005, further to his efforts and to the personal engagement of United States Secretary of State Condoleezza Rice and European Union High Representative for Common Foreign and Security Policy Javier Solana, the Government of Israel and the Palestinian Authority reached an Agreement on Movement and Access. The Agreement included the opening of the Rafah crossing for travel of persons between the Gaza Strip and Egypt under the supervision of the European Union. Accordingly, the Rafah crossing initially operated on a daily basis, but since 25 June 2006, it has only been open sporadically. The Agreement also covered the continuous opening of crossings between Israel and Gaza for both goods and people. Again, and despite initial operation of the crossings, the Karni, Kerem Shalom and Erez crossings have not operated regularly throughout 2006. The frequent closure of the Karni commercial crossing has meant that few exports have been able to pass. Other aspects of the Agreement, such as the Israeli commitment to allow truck and bus convoys between Gaza and the West Bank and to reduce the number of movement obstacles in the West Bank have not been implemented. The Government of Israel has also not yet provided assurance that it would not interfere with the operation of the Gaza seaport, and there have been no discussions on the opening of the airport.

17. Israeli security forces have increasingly divided the West Bank into three distinct areas, with movement relatively free inside those areas but severely hampered between them. According to the Office for the Coordination of Humanitarian Affairs, the Government of Israel has increased the number of physical obstacles in the West Bank by 43 per cent since the signing of the Agreement on Movement and Access. New Israeli measures in the Jordan Valley have prevented almost all Palestinian non-residents who do not work in the area from accessing it. Access has also been restricted to closed areas between the Green Line and the barrier.

18. The Palestinian Authority was already facing serious political, financial and social difficulties at the end of 2005. While the international community praised aspects of the Palestinian Authority response during the disengagement process, the Authority's performance in the months following disengagement was mixed. The wage bill continued to grow as the Authority recruited more officers into the security forces, security in Gaza deteriorated, and rocket attacks on Israel continued. By December 2005, key donors were reconsidering their support to the Palestinian Authority's budget, which was already depleted.

19. After the Palestinian legislative elections in January 2006, the Government of Israel declared that the Palestinian Authority had turned effectively into a "terrorist entity" and decided to withhold the transfer of customs and value added tax payments that it collects on its behalf. This decision, which effectively deprived the Palestinian Authority of approximately US$ 50 million per month, is contrary to the provisions of the Paris Protocol. Key donor Governments also withdrew their direct support to the Authority in the light of the failure of the new Palestinian government to commit to the principles laid out by the Quartet. The ensuing contraction of economic activity reduced domestic tax revenues. These combined factors, further compounded by a crisis in the banking system, resulted in an acute fiscal crisis for the Palestinian Authority.

20. As a result, the Palestinian Authority became increasingly unable to meet its financial obligations. It cut most social benefits in February 2006 and stopped paying salaries to civil servants as of March. By April 2006, it was estimated that its monthly revenue was a mere sixth of its requirement. Aware of the humanitarian consequences of the situation, and while stressing that the Palestinian Authority was not relieved of its responsibilities to assist the Palestinian people, the Quartet expressed on 9 May 2006 its willingness to endorse a temporary international mechanism, limited in scope and in duration and operating with full transparency and accountability, to ensure the direct delivery of assistance to the Palestinian people. The provision of fuel support costs and payment of allowances to health workers by the European Union under the mechanism began in July 2006. Other aspects, including payments of needs-based allowances and other non-salary costs, such as medicines, have also begun.

21. Nearly one million Palestinians used to rely on a Palestinian Authority wage earner, and the salaries paid by the Authority used to account for about 25 per cent of gross domestic product. Additionally, recipients of Palestinian Authority salaries operate the health, education, security and other services for the Palestinian people. Economic surveys have pointed to dramatic rises in poverty and unemployment should the fiscal crisis continue, and have evidenced a 7 per cent decrease in the Palestinian gross domestic product in the first quarter of 2006. The destruction of civilian infrastructure during the Israeli military operation that was launched following the capture of an Israeli soldier near Gaza has resulted in electricity being cut in Gaza between 12 and 18 hours a day, the rationing of water and an increase in public health hazards. The frequent closures of the Karni crossing into Gaza have caused a serious depletion of stocks of basic food commodities and food rationing has been introduced.

22. The Secretariat has continued to provide regular monthly briefings to the Security Council on the latest developments in the Middle East, as well as whenever the situation on the ground demanded that the members of the Council be kept urgently apprised.

23. The Ad Hoc Liaison Committee met in London in December 2005 to discuss the economic, fiscal and humanitarian situation in the Occupied Palestinian Territories. The Quartet met in the margins of this meeting and expressed support for the Palestinian Authority's efforts to prevent armed groups from acting against law and order. It continued its sustained efforts during the reporting period, having already met in September 2005, and again in January and May 2006, thus signalling its readiness to engage in the conflict and support efforts at implementing the road

map. I have also remained committed to furthering the cause of peace in the Middle East and undertook a visit to the region in November 2005 and in August-September this year.

24. The United Nations agencies and programmes have continued to carry out their mandates to assist the Palestinian people. Donor support is more necessary than ever, and in July 2006, donors pledged to make significant contributions to the revised consolidated appeal of the United Nations for the Occupied Palestinian Territories, and notably to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). In its statement of 9 May 2006, the Quartet called upon the international community to respond urgently to assistance requests by international organizations, especially United Nations agencies. I also urge all potential donors to reaffirm their support to UNRWA and to the consolidated appeal.

25. I remain disturbed over restrictions imposed by the Israeli security forces resulting from the construction of the West Bank barrier, as well as from checkpoints and other obstacles that have consistently impeded the ability of United Nations agencies and programmes to provide assistance to Palestinians. Increasingly tight restrictions have confronted movement of international staff to and from Gaza and movement of national staff has been more difficult between Jerusalem, where most United Nations offices are headquartered, and the West Bank, where aid is needed. The supply of humanitarian goods to the Gaza Strip through the Karni crossing has been difficult and significant costs have been incurred as a result of long delays in returning empty containers.

26. Of particular concern to me are incidents that have compromised the security of United Nations staff members. Some have occasionally been fired on at checkpoints. Demonstrations were held in front of United Nations offices in the Occupied Palestinian Territories, notably at the Gaza office of the United Nations Special Coordinator for the Middle East. On 30 July 2006, after a demonstration at United Nations premises in Beirut following the Israeli shelling of Qana during the conflict between Israel and Hezbollah, Palestinian militants participating in a demonstration entered the office and ransacked it, damaging valuable material. On 31 December 2005, a recreational facility operated by UNRWA in Gaza City was bombed by Palestinian militants. Fortunately, no staff member of the United Nations was hurt in either incident.

27. It must be noted that the road map indicated the end of 2005 as the target date for settlement of the Israeli-Palestinian conflict. Though this deadline passed unobserved, the road map remains the agreed framework for achieving a just and lasting peace in the Middle East and is therefore an important reference for the future. I regret that prospects for achieving a two-State solution have not improved over the reporting period. While realities have changed, it is essential that all parties be encouraged to adopt policies and practices that are conducive to a peaceful solution. In this regard, I have welcomed the continued commitment of President Abbas to a platform of peace, and I have noted with satisfaction Prime Minister Olmert's stated readiness to engage a Palestinian partner. I am also pleased that opinion polls have continued to emphasize the desire of both the Israeli and the Palestinian peoples for a negotiated two-State solution, even if confidence in the peace process is declining. While the negative developments in recent months are gravely distressing, they must not distract the international community from

exerting all efforts to re-energize the Middle East peace process. I therefore wish to reiterate the central importance of negotiations between the Government of Israel and a Palestinian partner committed to the principles of the road map in order to achieve a two-State solution. The United Nations will continue to work towards the attainment of an independent, democratic and viable Palestinian State living side by side in peace and security with Israel, and of a broader regional framework for peace and stability, in keeping with Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), and in accordance with the road map and the Arab peace initiative.

28. I should like to pay special tribute to Alvaro de Soto, United Nations Special Coordinator for the Middle East Peace Process and my Personal Representative to the Palestine Liberation Organization and the Palestinian Authority, to the staff of the Office of the United Nations Special Coordinator and to Commissioner-General Karen Koning AbuZayd of UNRWA, the staff of the Agency and all other United Nations agencies, who continue to provide dedicated and efficacious services while working under the most demanding, difficult and sometimes dangerous circumstances. I also wish to express my appreciation for the work of the Special Envoy of the Quartet, Mr. James Wolfensohn, who stepped down in April 2006, and whose contribution was essential.